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WASHINGTON, DC 20541
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JUL 09 2004

Marlene H. Dortch, Secretary
Federal Communications Commission
Wireline Competition Bureau – CPD – 214 Appls.
P.O. Box 358145
Pittsburgh, PA 15251-5145

Re: *Application of Looking Glass Networks, Inc. and Looking Glass Networks of Virginia, Inc. for International and Domestic Section 214 Authority to Transfer Control of Authorized International and Domestic Interstate Carriers*

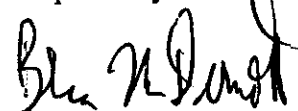
Dear Ms. Dortch:

On behalf of Looking Glass Networks, Inc. (“LGN”) and Looking Glass Networks of Virginia, Inc. (“LGN of Virginia”) (collectively, “Applicants”), please find an original and six (6) copies of an application for Section 214 authority to transfer control of authorized international and domestic interstate carriers. Pursuant to Section 63.04(b) of the Commission’s rules, Applicants submit this filing as a combined international section 214 transfer of control application and domestic section 214 transfer of control application (“Combined Application”). Applicants are simultaneously filing, via the IBFS, the Combined Application with the International Bureau, in accordance with the Commission’s rules.

Also enclosed is a completed Fee Remittance Form 159 containing a valid VISA credit card number and expiration date for payment, in the amount of \$860.00, to the Federal Communications Commission, which satisfies the filing fee required for this Application under line 2.b of Section 1.1105 of the Commission’s rules.

Please direct any questions regarding this filing to the undersigned.

Respectfully submitted,



Catherine Wang
Brian M. McDermott

Counsel for Applicants

Enclosures

Looking Glass Networks, Inc. (“LGN”) and Looking Glass Networks of Virginia, Inc. (“LGN of Virginia”) (collectively, “Applicants”), pursuant to Section 214 of the Communications Act, as amended, 47 U.S.C.A. § 214, and Sections 63.04 and 63.18 of the Commission’s Rules, 47 C.F.R. §§ 63.04 & 63.18, respectfully request such authority as may be necessary or required to permit Applicants to consummate a series of transactions through which indirect control of LGN and LGN of Virginia will be transferred (“Transactions”). Specifically, Applicants seek approval of a series of transactions through which the majority of stock in Applicants’ parent company, Looking Glass Networks Holding Co., Inc. (“LGN

Holding”), will be acquired by current LGN Holding lenders (“LGN Lenders”) through the conversion of their debt into equity interests. Upon consummation of the Transactions, indirect ownership of LGN and LGN of Virginia will be split amongst the current LGN Lenders (collectively 80%) and LGN’s current shareholders and management (“LGN Shareholders”) (collectively 20%), which includes a reduction of the interest of LGN Holding’s parent, Looking Glass Networks, LLC from 100% to 5%. As described in greater detail below, the Transactions will enable Applicants and LGN Holdings to restructure and reduce their aggregate debt from approximately \$167 million to approximately \$55 million. In addition, the Transactions contemplate an amended credit facility providing for up to \$7.5 million of borrowing availability to LGN.

The Transactions are expected to have no affect on LGN’s operations. Applicants’ customers will continue to receive service under the same rates, terms and conditions of service and the Transactions will be transparent to all of Applicants’ customers in terms of the services they receive.

B. Application Eligible for Streamlined Processing

Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Sections 63.03 and 63.12 of the Commission’s Rules, 47 C.F.R. §§ 63.03 & 63.12. With respect to domestic authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transactions, (1) Applicants and their affiliates, as defined in Section 3(1) of the Communications Act – “Affiliates”, combined will hold less than a ten percent (10%) share of the interstate, interexchange market; (2) Applicants and their Affiliates will provide local exchange service only in areas served by dominant local exchange carriers (none of which is a party to the proposed transactions) and; (3) neither Applicants nor their

Affiliates are dominant with respect to any service. With respect to international authority, this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's Rules, 47 C.F.R. §63.12(a)-(b). In particular, Section 63.12(c)(1) is inapplicable because the Applicants are not affiliated with any foreign carriers and none of the scenarios outlined in Section 63.12(c) of the Commission's Rules, 47 C.F.R. § 63.12(c), applies.

In support of this Application, Applicants provide the following information:

II. THE APPLICANTS

LGN is a Delaware corporation with principal offices located at 1111 W. 22nd Street, Suite 600, Oak Brook, IL 60523. LGN is a wholly owned subsidiary of LGN Holding, a corporation formed under the laws of the State of Delaware. LGN Holding is a wholly owned subsidiary of Looking Glass Networks, LLC, a Delaware limited liability company.

LGN is authorized to provide intrastate competitive telecommunications services pursuant to certification, registration or deregulation in Arizona, California, Colorado, Florida, Georgia, Illinois, Indiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, North Carolina, New Jersey, New York, Ohio, Oregon, Pennsylvania, Texas, Washington and the District of Columbia. LGN is authorized to provide interstate services pursuant to blanket domestic Section 214 authority and to provide international services pursuant to Section 214 authority granted in ITC-214-20000612-00357, effective June 23, 2000. Further information regarding LGN has been submitted previously to the Commission, is therefore a matter of public record, and is incorporated herein by reference.

LGN of Virginia is a Virginia corporation that is a wholly owned subsidiary of LGN and an indirect, wholly owned subsidiary of LGN Holdings. LGN of Virginia is authorized to provide interstate services pursuant to blanket domestic Section 214 authority and is authorized

to provide intrastate competitive telecommunications services in Virginia pursuant its certificate.

III. DESCRIPTION OF THE TRANSACTIONS

Applicants will be completing a series of transactions through which indirect control of LGN will be acquired by several current lenders who, upon consummation of the Transactions, will collectively hold an 80% indirect voting and economic interest in LGN. Specifically, control in Applicants' holding company parent, LGN Holding, will be held collectively by JPMORGAN Chase & Company, Barclays Bank PLC, Cisco Capital, Citicorp USA Inc., Credit Suisse First Boston LLC, Deutsche Bank Trust Company Americas, and Merrill Lynch Capital Corporation (collectively, "LGN Lenders") through the conversion of current loans into equity interests. Individually, the current lenders will hold the following fully diluted interests in LGN Holdings common stock after the consummation of the Transactions:

JP MORGAN Chase & Company	approximately 14%
Barclays Bank PLC	approximately 10%
Cisco Capital	approximately 10%
Citicorp USA, Inc.	approximately 14%
Credit Suisse First Boston LLC	approximately 14%
Deutsche Bank Trust Company Americas	approximately 8%
Merrill Lynch Capital Corporation	approximately 10%

Upon consummation of the Transactions, all preferred stock in LGN Holding, currently owned by Looking Glass Networks, LLC, will be cancelled.

In addition, following consummation of the Transactions, the LGN Shareholders will hold a collective 20% ownership interest in LGN Holding. This includes the reduction of the ownership interest of LGN Holding's current equity holder, *i.e.*, Looking Glass Networks, LLC, will be reduced from 100% to 5%. As a result, no single entity, including the individual LGN Lenders, will own a majority of the common shares and control will be dispersed among several entities.

The LGN Lenders' current loans to LGN of approximately \$167 million will be reduced to approximately \$55 million in exchange for an 80% equity interest in LGN Holding. The LGN Lenders will also provide an amended credit facility providing up to \$7.5 million in borrowing availability to LGN ("Amended Financing"). Therefore, upon consummation of the Transactions, the LGN Lenders will have up to approximately \$62.5 million in loans to LGN that will be secured by LGN's assets. Attached as Exhibit A are illustrative charts describing the pre- and post-consummation ownership structure of LGN. Furthermore, immediately after the completion of the proposed Transactions, LGN's customers will continue to receive service under the same rates, terms and conditions of service as before.

IV. PUBLIC INTEREST STATEMENT

Applicants respectfully submit that the proposed Transactions serves the public interest. In particular, Applicants submit that the Transactions will increase competition to the extent that they strengthen the financial status of the Applicants by reducing the aggregate amount of Applicants' debt while allowing Applicants continued access to additional funding in order to expand their operations. The proposed Transactions will provide greater operational stability to Applicants' customers and ensure that those customers can continue to enjoy high quality, affordable service without interruption. Moreover, given that the Transactions will not affect Applicants' operations, rates, terms and conditions of services, the Transactions will not confuse, inconvenience or otherwise adversely affect Applicants' customers.

V. INFORMATION REQUIRED BY SECTION 63.18 FOR LGN

Pursuant to Section 63.18 of the Commission's Rules, the LGN submits the following information in support of this Application:

(a) Name, address and telephone number of Transferor/Transferee and Licensee:

Transferor

Looking Glass Networks, LLC's indirect interest will be diminished from 100% of LGN to 5%. As described in greater detail in Section III, no entity will be acquiring control of LGN.

Looking Glass Networks, LLC
1111 West 22nd Street, Suite 600
Oak Brook, IL 60523
(630) 242-2000 (Tel)

Transferee

No entities will acquire control of LGN. Holders of greater than a 10% indirect interest in LGN are listed below.

Licensee

Looking Glass Networks, Inc.
1111 West 22nd Street, Suite 600
Oak Brook, IL 60523
(630) 242-2000 (Tel)

(b) Jurisdiction:

Transferor

Looking Glass Networks, LLC is a Delaware limited liability company.

Transferee

No entities will acquire control of LGN. Holders of greater than a 10% indirect interest in LGN are listed below.

Licensee

Looking Glass Networks, Inc. is a Delaware corporation.

(c) **Correspondence concerning this Application should be sent to:**

Catherine Wang
Brian McDermott
Swidler Berlin Shereff Friedman, LLP
3000 K Street NW
Suite 300
Washington, DC 20007
(202) 424-7500 (Tel)
(202) 424-7645 (Fax)
CWang@swidlaw.com(E-Mail)
BMMcDermott@swidlaw.com(E-Mail)

- (d) LGN is authorized to provide interstate services pursuant to blanket domestic Section 214 authority and to provide international services pursuant to Section 214 authority granted in ITC-214-20000612-00357, effective June 23, 2000.
- (e) Pursuant to Section 63.18(e)(3), the LGN seeks authority to enter into a series of Transactions effecting the control of LGN which is a nondominant common carrier holding domestic Section 214 authorization and international Section 214 authorization.
- (f) Not applicable.
- (g) Not applicable.
- (h) Following the completion of the proposed Transactions, the following entities will directly or indirectly own 10% or more of **Looking Glass Networks, Inc.:**

Name:	Looking Glass Networks Holding Co., Inc.
Address:	1111 West 22 nd Street, Suite 600 Oak Brook, IL 60523
Citizenship:	United States
Principal Business:	Holding Company
% Equity:	100%

The following entity will directly own ten percent (10%) or more of the equity of **Looking Glass Networks Holding Co., Inc.:**

Name:	JP MORGAN Chase & Company
Address:	270 Park Avenue New York, New York 10017
Citizenship:	United States
Principal Business:	Banking/Investments
% Equity:	approximately 14%

Name: Barclay Bank PLC
Address: 54 Lombard Street
London EC3P 3AH, United Kingdom
Citizenship: United Kingdom
Principal Business: Banking/Investments
% Equity: approximately 10%

Name: Cisco Capital
Address: 170 W. Tasman Drive
San Jose, CA 95134
Citizenship: United States
Principal Business: Equipment Financing/Investments
% Equity: approximately 10%

Name: Citicorp USA Inc.
Address: 399 Park Avenue
New York, NY 10043
Citizenship: United States
Principal Business: Banking/ Investments
% Equity: approximately 14%

Name: Credit Suisse First Boston LLC
Address: 11 Madison Ave.
New York, NY 10010-3629
Citizenship: United States
Principal Business: Banking/Investments
% Equity: approximately 14%

Name: Merrill Lynch Capital Corporation
Address: 250 Vesey Street
New York, New York 10281
Citizenship: United States
Principal Business: Banking/Investments
% Equity: approximately 10%

Other than the foregoing, following the transactions, no other person or entities will directly or indirectly own ten percent (10%) or more of the equity of LGN. LGN has no interlocking directors with foreign carriers.

- (i) LGN certifies that LGN is not a foreign carrier or affiliated with a foreign carrier.
- (j) LGN certifies that LGN does not seek to provide international telecommunications services to any destination country where:

- (1) LGN is a foreign carrier in that country; or
 - (2) LGN controls a foreign carrier in that country; or
 - (3) Any entity that owns more than 25 percent of LGN, or that controls LGN, controls a foreign carrier in that country; or
 - (4) Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate more than 25 percent of LGN and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing of international basic telecommunications services in the United States.
- (k) Not applicable.
- (l) Not applicable.
- (m) Not applicable.
- (n) LGN certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.
- (o) LGN certifies that it is not subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998. *See* 21 U.S.C. § 853a. *See also* 47 C.F.R. §§ 1.2001-1.2003.
- (p) LGN respectfully submits that this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's Rules, 47 C.F.R. §63.12(a)-(b). In particular, Section 63.12(c)(1) is inapplicable because LGN is not a foreign carrier nor is LGN affiliated with any foreign carriers and none of the scenarios outlined in Section 63.12(c) of the Commission's Rules, 47 C.F.R. § 63.12(c), applies.

VI. INFORMATION REQUIRED BY SECTION 63.04 FOR LGN

In lieu of an attachment, pursuant to Commission Rule 63.04(b), 47 C.F.R. § 63.04(b) LGN submits the following information in support of its request for domestic Section 214 authority in order to address the requirements set forth in Commission Rule 63.04(a)(6)-(12):

- (a)(6) A description of the proposed Transactions is set forth in **Section III.** above.
- (a)(7) LGN provides facilities-based competitive telecommunications services in the states of California, Georgia, Illinois, Maryland, New Jersey, New York, Pennsylvania, Texas, Washington and the District of Columbia.

- (a)(8) LGN respectfully submits that this Application is eligible for streamlined processing pursuant to Sections 63.03 of the Commission's Rules, 47 C.F.R. §63.03. In particular, with respect to domestic authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transactions, (1) LGN and its affiliates combined will hold less than a ten percent (10%) share of the interstate, interexchange market; (2) LGN and its Affiliates will provide local exchange service only in areas served by dominant local exchange carriers (none of which are parties to the proposed transactions) and; (3) neither LGN or its Affiliates are dominant with respect to any service.
- (a)(9) Through this Application, LGN seeks authority with respect to both international and domestic Section 214 authorizations (this Application is being separately and concurrently filed with respect to both types of authorities in compliance with Commission Rule 63.04(b), 47 C.F.R. § 63.04(b)) and LGN of Virginia seeks authority with respect to its domestic Section 214 authorization. No other applications are being filed with the Commission with respect to this transaction.
- (a)(10) Prompt completion of the proposed transactions is critical to ensuring that Applicants can obtain the benefits described in the foregoing application. Accordingly, Applicants respectfully request that the Commission approve this Application expeditiously in order to allow Applicants to consummate the proposed transactions as soon as possible.
- (a)(11) Not applicable.
- (a)(12) A statement showing how grant of the application will serve the public interest, convenience and necessity is provided in **Section IV.** above.

VI. INFORMATION REQUIRED BY SECTION 63.04 FOR LGN OF VIRGINIA

Pursuant to Commission Rule 63.04, 47 C.F.R. § 63.04 LGN of Virginia submits the following information in support of its request for domestic Section 214 authority in order to address the requirements set forth in Commission Rule 63.04.

(a)(1) Name, address and telephone number of Transferor/Transferee and Licencee:

Transferor

Looking Glass Networks, LLC's indirect interest will be diminished from 100% of LGN of Virginia to 5%. As described in greater detail in Section III, no entity will be acquiring control of LGN of Virginia.

Looking Glass Networks, LLC
1111 West 22nd Street, Suite 600
Oak Brook, IL 60523
(630) 242-2000 (Tel)

Transferee

No entities will acquire control of LGN of Virginia. Holders of greater than a 10% indirect interest in LGN of Virginia are listed below.

Licensee

Looking Glass Networks of Virginia, Inc.
1111 West 22nd Street, Suite 600
Oak Brook, IL 60523
(630) 242-2000 (Tel)

(a) (2) Jurisdiction of Applicant:

Transferor

Looking Glass Networks, LLC is a Delaware limited liability company.

Transferee

No entities will acquire control of LGN of Virginia. Holders of greater than a 10% indirect interest in LGN of Virginia are listed below.

Licensee

Looking Glass Networks of Virginia, Inc. is a Virginia corporation.

(a) (3) Correspondence concerning this Application should be sent to:

Catherine Wang
Brian McDermott
Swidler Berlin Shereff Friedman, LLP
3000 K Street NW
Suite 300
Washington, DC 20007
(202) 424-7500 (Tel)
(202) 424-7645 (Fax)
CWang@swidlaw.com(E-Mail)
BMMcDermott@swidlaw.com(E-Mail)

(a) (4)

Following the completion of the proposed Transactions, the following entities will directly or indirectly own 10% or more of **Looking Glass Networks of Virginia, Inc.:**

Name: Looking Glass Networks, Inc.
Address: 1111 West 22nd Street, Suite 600
Oak Brook, IL 60523
Citizenship: United States (Delaware)
Principal Business: Telecommunications
% Equity: 100%

The following entities will directly or indirectly own 10% or more of **Looking Glass Networks, Inc.:**

Name: Looking Glass Networks Holding Co., Inc.
Address: 1111 West 22nd Street, Suite 600
Oak Brook, IL 60523
Citizenship: United States
Principal Business: Holding Company
% Equity: 100%

The following entity will directly own ten percent (10%) or more of the equity of **Looking Glass Networks Holding Co., Inc.:**

Name: JP MORGAN Chase & Company
Address: 270 Park Avenue
New York, New York 10017
Citizenship: United States
Principal Business: Banking/Investments
% Equity: approximately 14%

Name: Barclay Bank PLC
Address: 54 Lombard Street
London EC3P 3AH, United Kingdom
Citizenship: United Kingdom
Principal Business: Banking/Investments
% Equity: approximately 10%

Name: Cisco Capital
Address: 170 W. Tasman Drive
San Jose, CA 95134
Citizenship: United States
Principal Business: Equipment Financing/Investments
% Equity: approximately 10.4%

Name: Citicorp USA Inc.
Address: 399 Park Avenue
New York, NY 10043
Citizenship: United States

Principal Business: Banking/ Investments
% Equity: approximately 14%

Name: Credit Suisse First Boston LLC
Address: 11 Madison Ave.
New York, NY 10010-3629

Citizenship: United States
Principal Business: Banking/Investments
% Equity: approximately 14%

Name: Merrill Lynch Capital Corporation
Address: 250 Vesey Street
New York, New York 10281
Citizenship: United States
Principal Business: Banking/Investments
% Equity: approximately 10%

Other than the foregoing, following the transactions, no other person or entities will directly or indirectly own ten percent (10%) or more of the equity of LGN of Virginia. LGN of Virginia has no interlocking directors with foreign carriers.

- (a) (5) Pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules, LGN of Virginia certifies that no party to this Application is subject to denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.
- (a) (6) A description of the proposed Transactions is set forth in **Section III.** above
- (a)(7) LGN of Virginia provides facilities-based competitive telecommunications services in Virginia.
- (a)(8) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Sections 63.03 of the Commission's Rules, 47 C.F.R. §63.03. In particular, with respect to domestic authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transactions, (1) Applicants and their affiliates (as defined in Section 3(1) of the Communications Act – "Affiliates") combined will hold less than a ten percent (10%) share of the interstate, interexchange market; (2) Applicants and their Affiliates will provide local exchange service only in areas served by dominant local exchange carriers (none of which are parties to the proposed transactions) and; (3) neither Applicants nor or their Affiliates are dominant with respect to any service.
- (a)(9) Through this Application, LGN seeks authority with respect to both international and domestic Section 214 authorizations (this Application is being separately and concurrently filed with respect to both types of authorities in compliance with Commission Rule 63.04(b), 47 C.F.R. § 63.04(b)) and LGN of

Virginia seeks authority with respect to its domestic Section 214 authorization. No other applications are being filed with the Commission with respect to this transaction.

- (a)(10) Prompt completion of the proposed transactions is critical to ensuring that Applicants can obtain the benefits described in the foregoing application. Accordingly, Applicants respectfully request that the Commission approve this Application expeditiously in order to allow Applicants to consummate the proposed Transactions as soon as possible.
- (a)(11) Not applicable.
- (a)(12) A statement showing how grant of the application will serve the public interest, convenience and necessity is provided in **Section IV.** above.

VIII. CONCLUSION

For the reasons stated above, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application. Indeed, failure to grant it would directly harm the public interest. In light of the exigent circumstances and, in particular the need to ensure continuity of service to existing customers, Applicants respectfully request expedited treatment to permit Applicants to consummate the proposed Transactions as soon as possible.

Respectfully submitted,



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(202) 424-7500 (Tel)
(202) 424-7645 (Fax)
CWang@swidlaw.com (E-Mail)
BMMcDermott@swidlaw.com (E-Mail)

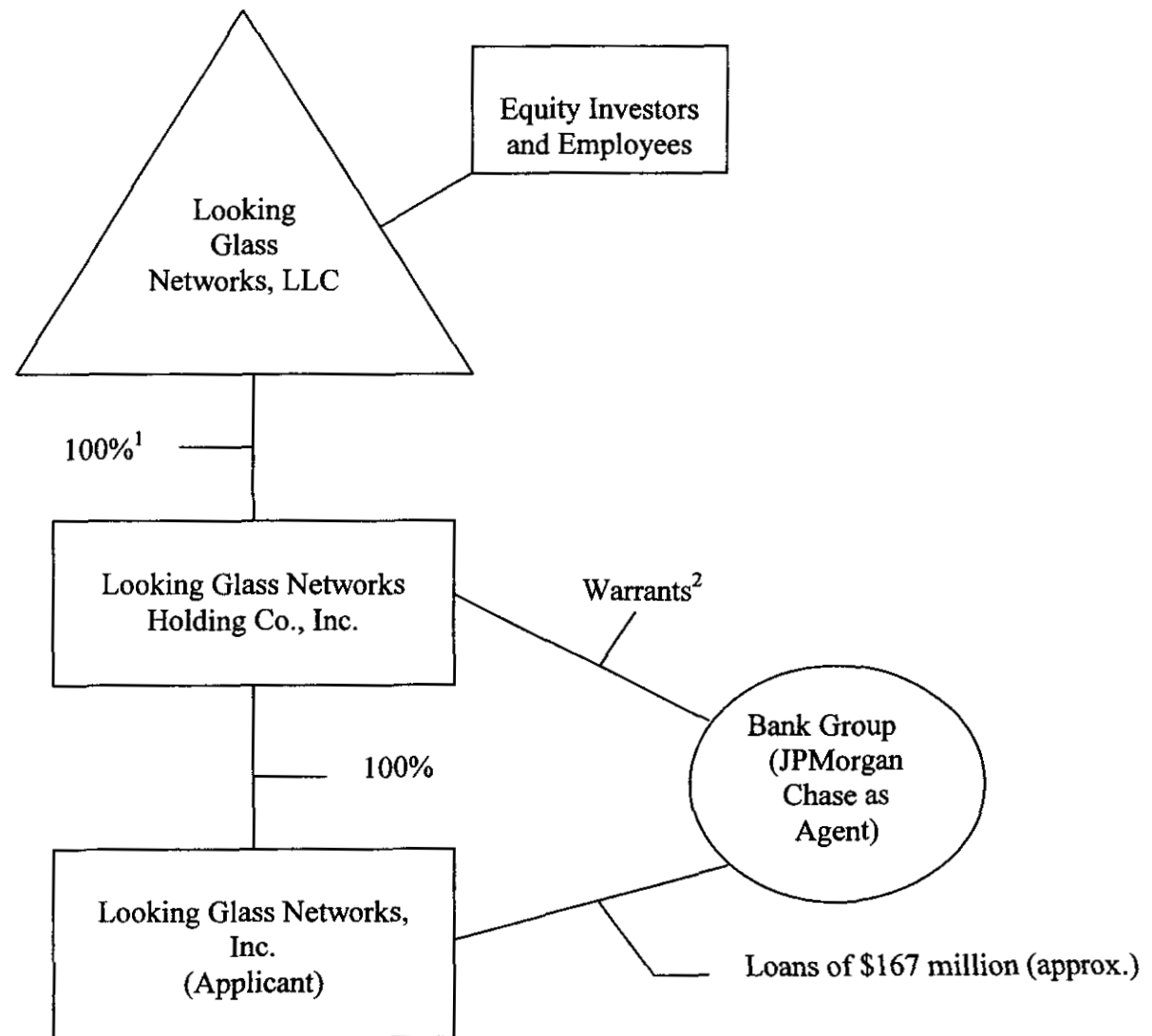
Counsel for Applicants

Dated: July 9, 2004

Exhibit A

Illustrative Chart

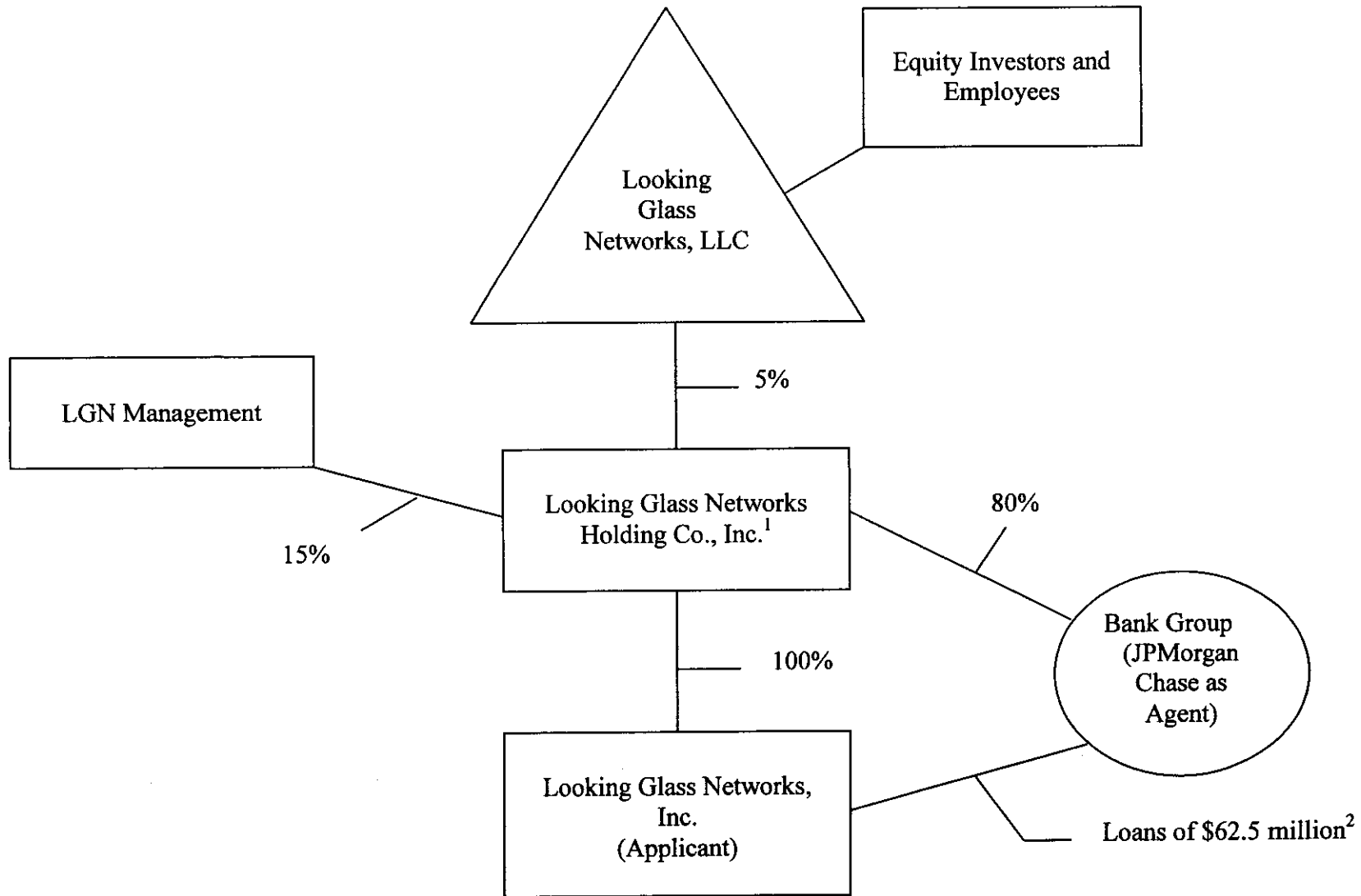
Old Ownership Structure



¹ Looking Glass Networks, LLC owns all of the issued and outstanding capital stock (consisting of both Common Stock and Preferred Stock) of Looking Glass Networks Holding Co., Inc.

² Bank Group collectively owns Warrants to purchase approximately 20% of the Common Stock of Looking Glass Networks Holding Co., Inc.

New Ownership Structure



¹ All outstanding capital stock of Looking Glass Holding Co., Inc. shall consist of Common Stock (all previously issued Preferred Stock shall be cancelled).

² Loans consist of \$55 of outstanding indebtedness plus \$7.5 of Borrowing availability.

Verifications

STATE OF ILLINOIS

:


: ss.

COUNTY OF DUPAGE

:

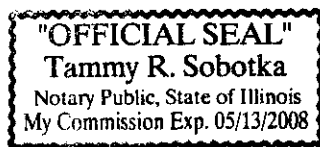
VERIFICATION

I, Jodi J. Caro, am Vice President and General Counsel of Looking Glass Networks, Inc.; that I am authorized to make this Verification on behalf of Looking Glass Networks, Inc.; that the foregoing filing was prepared under my direction and supervision; and that the statements in the foregoing document with respect to Looking Glass Networks, Inc. are true and correct to the best of my knowledge, information, and belief.



Jodi J. Caro
Vice President and General Counsel
Looking Glass Networks, Inc.

Sworn and subscribed before me this 6th day of July, 2004.





Notary Public

My commission expires: 05/13/2008